

1 CHAIRMAN JAMES: Mr. Patton.

2 MR. PATTON: Good morning.

3 The responsibility of any gaming regulatory agency is  
4 defined by the legislative and executive branches of the state  
5 government involved in the development of the legislation that  
6 authorizes gambling. The judicial branch makes decisions that  
7 further clarify the law. In each jurisdiction with legalized  
8 gambling, we see a different approach to gaming because of the  
9 viewpoint of the citizens in that jurisdiction.

10 In Mississippi, our mandate was clear: the state's  
11 leadership wanted to maximize the benefits to the state such as  
12 job creation, economic development, and revenue enhancement,  
13 while restricting gaming to the state's three southernmost  
14 counties and counties along the Mississippi River.

15 We are particularly concerned about the people who  
16 are involved in the business of gaming which, arguably, are the  
17 most stringent legal standards for casino employees. To the  
18 extent that we have been successful is easily demonstrable.

19 Since the passage of the Gaming Control Act in 1990,  
20 and the opening of the first dockside casino in 1992, we have  
21 experienced the so-called "Mississippi Miracle": a phenomenal  
22 rate of unfettered yet untainted growth and development that has  
23 never been and probably never will be experienced in any other  
24 gaming jurisdiction. The industry has matured from a small scale  
25 riverboat operation to highly complex, full service resorts.  
26 Mississippi's casino square footage surpassed New Jersey's in  
27 less than three years and is second only to Nevada.

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1 In that same time frame, Mississippi became the third  
2 largest jurisdiction when considering gross gaming revenues. The  
3 industry directly employs 34,000 people with an annual payroll of  
4 more than \$600 million. Government assistance, such as temporary  
5 assistance to needy families, has been reduced in every county  
6 where gaming is legal, in some cases up to 56 percent. We have  
7 seen child support payments increase double in one county where  
8 casinos are located.

9 The casino industry has made more than \$3 billion in  
10 capital investments in Mississippi in six years which has  
11 translated into thousands of construction jobs. The industry has  
12 paid more than \$1 billion in taxes and that money has paid for  
13 improvements in our schools and the tools needed to fight crime  
14 by our law enforcement agencies throughout Mississippi.  
15 Furthermore, the gaming industry has introduced additional sales  
16 and income taxes that have reached more than \$140 million  
17 annually which has further fueled the incredibly healthy  
18 Mississippi economy.

19 The Mississippi Gaming Commission has completed more  
20 than 2,100 background investigations, and while we have found  
21 individuals with inappropriate backgrounds attempting to  
22 infiltrate the industry, we have been successful in keeping those  
23 individuals out of the industry.

24 We hear from time to time complaints that we are "too  
25 close to the industry we regulate." We look at the people who  
26 make those comments; it is not the industry that has invested  
27 more than \$3 billion, much of it reluctantly but forced by  
28 commission regulation adopted to provide this investment; it is

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1 not the more than 400 people who have been arrested for  
2 violations of the Gaming Control Act; it is not those licensees  
3 who have been fined for violating our regulations; it is people  
4 who have been and are opposed to gaming and would prefer to see  
5 the industry authorized by law, eliminated through regulation.

6           The fact that they are unable to point to a single  
7 incidence where this industry coziness has resulted in violation  
8 of the Gaming Control Act, our regulations, or in any way  
9 violated our trust for the people in Mississippi, nor can they  
10 give a single instance which we have been remiss in our duties.

11           In conclusion, in our minds the subject of promoting  
12 versus regulating the industry is moot. We have responsibilities  
13 spelled out by law and we have assembled a highly qualified staff  
14 of law enforcement officials that carry out that job and enforce  
15 the provisions of the law. Thank you.

16           I make these remarks available to the Commission. I  
17 also have a report that we have provided the Commission -- and  
18 copies are available; we've left them on the desk outside the  
19 door -- that provide statistics regarding the status of the  
20 industry in Mississippi. Thank you.

21           CHAIRMAN JAMES: Thank you very much.

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